GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:847
ANSWERED ON:28.04.2016
Wage Revision under MGNREGS
Gutha Shri Sukender Reddy;Satav Shri Rajeev Shankarrao

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Government has taken note of the minimum wages being paid under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), if so, the details thereof, State/UT-wise;

(b) the details of present structure of the wages being paid in different States, State/UT-wise;

(c) whether the Government has set up a Committee under the Chairmanship of Prof. Mahendra Dev to suggest a calculation of wages on the basis of the Consumer Price Index-rural instead of Consumer Price Index-agriculture labour for MGNREGS, if so, the details thereof;

(d) whether the Government has studied the report and dropped the idea of changing the wage calculation formula as suggested by Mahendra Dev Committee for its flagship rural jobs programme but has increased the wages and if so, the details thereof and the reasons therefor;

(e) whether many States have sought revision of wages as the present wages fall below the minimum wages for agricultural labourers in many States and if so, the details thereof and the stand of the Union Government thereto; and

(f) the other steps taken/being taken by the Government to have MGNREGS wages more relevant and meaningful for agricultural labourers?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(SHRI SUDARSHAN BHAGAT)

(a): The wage rates under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) are indexed with the Consumer Price Index for Agricultural Labour (CPI-AL) and are revised every year with effect from 1st April. Wage rates effective from 1st April, 2016 have been revised vide Ministry's Notification dated 23/03/2016. State/UT- wise revised MGNREGA wage rates are given in the Annexure.

(b): Under the Minimum wages Act, 1948, States /UTs may fix different minimum rates of wages payable to employees employed in different categories of employment and these rates may be fixed for a part of the State or for any specified class or classes of such employment in the whole State or part thereof. Hence, there is no single wage rate fixed by the states/ UTs for unskilled manual labourers common to all categories of employment. In view of this, no comparison can be made with notified wage rates under MGNREGS.

(c): Yes Madam, a Committee was set up under the chairmanship of Prof. Mahendra Dev to suggest a proper index for revising MGNREGA wage rates every year so as to protect the wages against inflation.

(d): No Madam. The Report submitted by the Committee has been accepted by the Ministry of Rural Development and referred to Ministry of Finance for approval. The matter is under examination. Since the revision for 2016 was due to be made effective from 01.04.2016, the Ministry decided to revise the wage rates pending decision on Prof. Mahendra Dev Committee's recommendations.

(e)&(f): Yes Madam, the Government has received suggestions/recommendations from some States/UTs, viz., Kerala, Andhra Pradesh, Bihar, Karnataka, Jharkhand, Jammu & Kashmir, Rajasthan, Himachal Pradesh and Andaman & Nicobar Islands stating that MGNREGA wages should not be less than the minimum wages notified by the State Governments for unskilled agricultural labourers under the Minimum Wages Act, 1948. Section 6(1) and Section 28 of the Mahatma Gandhi NREG Act, 2005, give the Central Government, the power to determine its wage rates independent of the Minimum Wages Act, 1948.

The mandate given to the Committee set up under the chairmanship of Prof. Mahendra Dev was to suggest a proper index for revising MGNREGA wage rates every year so as to protect the wages against inflation in respect of all MGNREGA workers.

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